

# **King County Quarterly Economic Measures**

## **Fourth Quarter, 2000**

Executive Summary .....	1
-------------------------	---

### **Statistical Tables**

U.S. Economic Measures .....	7
Industrial/Manufacturing Measures .....	8
Regional Economic Indicators .....	9
Convention Information .....	9
Taxable Retail Sales .....	10
Employment .....	11
Seattle-King County Dislocation Activity .....	12
Boeing and Airline Industry Data .....	13
Income Measures .....	14
Construction .....	15
Office Market: Downtown Seattle .....	16
Office Market: North & South King County .....	17
Office Market: Bellevue/Eastside .....	18
Industrial Market: Seattle .....	19
Industrial Market: Kent Valley .....	20
Industrial Market: Eastside .....	21
Retail Market .....	22
Apartment Vacancy Rates .....	23

# **King County Quarterly Economic Measures**

## **Fourth Quarter, 2000**

### **Executive Summary**

As part of its year 2000 special programs contract with the Office of Regional Policy and Planning, the Central Puget Sound Economic Development District (EDD) produces quarterly reports on national and county economic measures. This document is an executive summary of the fourth quarter, 2000 report. Anyone desiring copies of the full 25-page report should contact Ray Moser, Manager, Economic Development Program at 205-0707.

### ***The Nation***

#### ***U.S. Economic Measures***

The United States economy grew by a mere 1.4% in the final quarter of 2000, its weakest performance in five and a half years, and the clearest sign yet that the pace of economic growth is slowing rapidly. The deceleration in real GDP growth in the fourth quarter primarily reflected a decline in business investment in equipment and software and a slackening of consumer demand. The rate of GDP growth in the third quarter was revised downward to 2.2 percent. However, due to the much higher growth rates in the first half of the year, overall growth for the year 2000 came in at a robust 5.0 percent, the strongest showing in 16 years.

The GDP implicit price deflator showed a slight increase in the rate of inflation in spite of the slower pace of growth. It rose by 2.1%, up from 1.6% in the third quarter. The consumer price index remained stable throughout the final quarter of 2000, with consistent increases of 0.2% each month. For the year as a whole, the index grew by 3.4%, compared with a 2.7% increase for all of 1999. Higher energy costs were the principal factor behind the year 2000 price increases, the largest since the Persian Gulf War in 1990.

The Federal Reserve raised short-term interest rates six times between mid-1999 and May of 2000 in order to slow economic growth and forestall inflation. The central bank took no further action for the remainder of 2000, although the rapid slowdown in output and relatively low inflation will almost certainly lead to interest rate cuts sometime in the first half of 2001.

During the fourth quarter of 2000, yields on Treasury bonds (which move inversely to price) dipped in reaction to the uncertain political and economic climate. Controversy over the outcome of the November presidential election as well as anxiety over falling stock prices caused yields to drop sharply in the latter half of November and December to levels not seen in over a year.

In expectation of possible interest rate reductions early in 2001, mortgage rates continued to decline from mid-year peaks, trending noticeably downwards from October through December of 2000.

## ***Industrial/Manufacturing Measures***

In the fourth quarter, investment in producers' durable equipment fell by \$13.8 billion, the first outright decline in almost ten years. Purchases of information processing equipment and software continued to rise during the fourth quarter (up 2.3%), albeit more slowly than in the previous quarter (4.0%). Nonfarm inventories grew by \$62.4 billion in the fourth quarter, following an increase of \$67.4 billion in the third quarter.

Factory orders in October were down by 4.0%, the weakest performance since a record 8.1% decrease in July. A temporary drop in demand for transportation equipment and electronics fueled the October decline. In November and December these same two sectors led a modest recovery, as factory orders grew by 1.9% and 1.1%, respectively. Non-defense capital goods orders, excluding aircraft, a key indicator of business investment, declined by 4.2% from the previous quarter.

Industrial production declined at an accelerating rate through the three final months of 2000. Overall, fourth quarter production fell by 1.1%, the first quarterly drop since the opening months of 1991. Capacity utilization rates also fell steadily throughout the quarter in response to declining demand.

## ***Income Measures***

Personal income demonstrated somewhat greater volatility in the final three months of 2000, influenced by federal subsidies to farmers. It rose 0.2% and 0.4% in November and December, respectively, after falling 0.2% in October. Exclusive of such payments, personal income grew by 0.4% on average for the quarter, reflecting a slower, yet still expanding, economy. Per capita disposable personal income rose slightly in the fourth quarter, up 1.3% over the same period one year earlier.

## ***The Region***

### ***Economic Activity***

The regional pace of inflation slowed in the final quarter of 2000. The consumer price index (CPI) for the western U.S. was up 0.7% from the previous quarter, for an annual rate of 3.0%. The estimated CPI for the Seattle metro area rose 0.8% in the fourth quarter of 2000, for an annual rate of 3.4%.

The number of bankruptcies recorded in King County continued to decline in the fourth quarter of 2000, down 1.9% from the previous quarter and 7.6% from the same quarter twelve months earlier.

New business starts within the city of Seattle recovered nicely in the fourth quarter of 2000, with nearly double the number of new licenses issued compared with the same period last year.

Air traffic at SeaTac continues to follow a long run trend of steady, year-to-year growth. The number of air passengers recorded in the fourth quarter of 2000 grew by 1.5% over the final

three months of last year. Air cargo traffic increased by 5.8%. By contrast, container traffic at the Port of Seattle fell slightly, down by 0.5% over the same period one year earlier.

### *Convention Information*

The number of conventions and events held in King County during the fourth quarter of 2000 grew by about one-third over the same period last year. Total room nights, a measure of the volume of tourist and business traffic, increased 18.5%. Local room taxes collected during the third quarter of 2000 increased 9.0% from the same period last year. Local room tax per event, a proxy measure for delegate expenses, declined by nearly 30% from the same period twelve months earlier. According to Steve Morris, president and CEO of the Seattle-King County Convention and Visitors Bureau, the outlook for 2001 is strongly positive, with both hotel occupancy rates and convention-related spending expected to reach record levels.

### *Taxable Retail Sales*

Taxable retail sales in King County rose 7.4% overall in the third quarter of 2000. Among the major sectors, construction continues to grow most rapidly, up 12.7%. Growth was fairly evenly distributed, however, with finance, insurance and real estate (10.4%), services (9.2%), transportation, communications and utilities (8.9%), and manufacturing (7.5%) all experiencing above average gains. Taxable retail sales in the City of Seattle were up 6.3% in the third quarter of 2000. With the exception of services, which grew by 9.8%, and wholesaling, which rose by only 1.6%, growth was unusually broad-based, with every other major sector falling within one percentage point of the overall average. The leading component in the services sector was once again computer services, which was up nearly 40% over the third quarter of 1999.

### *Employment*

The job market remains tight in spite of the slower pace of economic growth. At the national level, unemployment fell to 3.7% in the fourth quarter. Statewide, unemployment was up slightly at 4.8%. In the final months of 2000, the unemployment rate for King County moved downward slightly to 3.3%. Average monthly initial unemployment claims in the third quarter of 2000 were up by 8.2% compared with the same period last year. The number of unemployment beneficiaries declined by 0.8%.

In the Seattle metro area, the number of nonagricultural wage and salary workers grew by 1.9% in the fourth quarter of 2000. Employment in goods-producing industries declined by 2.1%. Employment in services-producing industries increased by 2.9%. Job losses in manufacturing slowed (down 3.5%). Services employment continued to expand (up 4.1%), led by growth in business services: computer & data processing (up 21.3%).

### *Job Dislocation Activity*

For the year 2000, layoffs at 45 companies led to the dislocation of 7,294 workers. Roughly half of the job losses recorded by the King County Reemployment Center were due to workforce reductions at Boeing, with almost all of these cuts taking place in the first half of the year. Further manufacturing job losses were reported at PACCAR/Kenworth Trucks (657), Boston

Scientific Corp. (321), and apparel manufacturer Thaw Corp. (200). The collapse of the Internet bubble in March forced many previously high-flying dot-coms to reduce staff levels. Onvia.com (175), Amazon.com (150), and eProject.com (31) were among those affected.

### *Boeing and Airline Industry Data*

After nearly two years of steady declines, the number of Boeing workers in Washington State has stabilized at slightly more than 77,000 employees. With the number of new orders booked up over last year, contractual backlogs overall at Boeing rose by 24% over fourth quarter 1999 figures. Backlogs in the commercial airplane division were up 23%, and in the space and communications division increased by 26%.

### *Wages*

In the second half of 1999, overall monthly wages rose in the third quarter (7.8%) and again in the fourth quarter (9.4%). Total wage levels in the final quarter of 1999 were higher than in the same quarter one year earlier, by 16.4%. The major sectors with the highest average monthly wage were services (up 33%) and manufacturing (8%).

### *Real Estate*

#### *Construction*

In King County, sales of new and existing homes in the fourth quarter of 2000 were off 3.0% from the same period one year earlier. At the same time, however, home prices continued to rise, with both the mean and median sales prices up by 5.3% over fourth quarter 1999 levels.

In the City of Seattle, the number of commercial and industrial permits issued in the fourth quarter of 2000 declined by 2.7% from the same period one-year earlier. The value of non-residential construction declined slightly, down 0.3%. The number of residential permits issued for existing units grew by nearly 44%, while those for new construction declined by 18%. The dollar value of residential construction increased by more than 86% and the number of new units built increased by almost 44% over the same period twelve months earlier. The number of permits issued for new housing units in all of 2000 hit a record high, up 50% from the year before.

#### *Office Market*

The dot-com shakeout continues to make itself felt in the regional market for office space. Space returned to the market in the form of subleases resulted in the first negative absorption rates in the region since the third quarter of 1996. According to CB Richard Ellis, approximately 1.2 million square feet has been returned to the market in the past year. The overall vacancy rate for the region rose to 5.2% in the fourth quarter of 2000. Vacancy rates in downtown Seattle and on the Eastside rose from virtually zero to 4.3% and 3.9%, respectively. Despite the slight contraction in the high tech sector, demand remains strong. Average lease rates continue to inch upward. Over 8 million square feet of new office space is currently under construction region-wide, much of it pre-leased.

### *Industrial Market*

Vacancy rates tightened even further in the final three months of 2000 to 3.0% region-wide. Strong demand resulted in an additional 2.5 million square feet of new space absorbed in the region, with the majority added in the Kent Valley and Tacoma/Fife markets. An additional 2.5 million square feet remains under construction. Lease rates for both high-tech and industrial space remained stable across the region in the fourth quarter of 2000. The single exception was downtown Seattle, where lease rates for industrial space jumped from forty-five to fifty cents per square foot.

### *Retail Market*

Vacancy rates for retail space, already at low levels in the first half of 2000, continue to fall across the region, with overall rates dropping to 2.7% in the second half of the year. Due to the tight market, average asking lease rates rose just over \$3.00 per square foot region-wide. At 592,865 square feet, net absorption in the second half of 2000 was barely a third of the volume added to the market in the first half of the year. An additional 1.4 million square feet is currently under construction, nearly half of it on the Eastside.

### *Apartment Market*

Apartment sales volumes in the Puget Sound region totaled \$379 million in the second half of 2000, the highest level in two years. The increase was fueled by a surge in activity in the Southend market (\$186 million). Rising rents in the downtown core and on the Eastside have driven up demand for more affordable units to the south. Average price per unit region-wide declined slightly in the second half of the year, largely due to a slowdown in sales on the Eastside where average price per unit is highest. Vacancy rates in the Puget Sound region rose slightly in the second half of 2000, to 3.8% from 2.6% in the first half of the year. Demand remains strong, however, and rents continue to creep upward, 2.1% in the past six months. Downtown Seattle experienced the highest rate of increase at 7.6%, while rents on the Eastside rose 4.5% on average. According to CB Richard Ellis, 5000 new rental units are expected to be completed in 2001, and an additional 7000 units the following year. These additional units, combined with slower regional growth rates, may eventually lead to a softening in the rental housing market. For the near future, however, demand is expected to outpace supply.

## OUTPUT and INFLATION

	1999	2000			
	IV	I	II	III	IV
<b>Real GDP</b>	\$9,084.1	\$9,191.8	\$9,318.9	\$9,369.5	\$9,401.5
<b>GDP growth</b>	\$178.3	\$107.7	\$127.1	\$50.6	\$32.0
<b>% change in GDP from previous quarter</b>	2.0%	1.2%	1.4%	0.5%	0.3%
<b>Annualized growth rate</b>	8.3%	4.8%	5.6%	2.2%	1.4%
<b>Current-dollar GDP</b>	\$9,559.7	\$9,752.7	\$9,945.7	\$10,039.4	\$10,125.0
<b>GDP growth</b>	\$218.8	\$193.0	\$193.0	\$93.7	\$85.6
<b>% change in GDP from previous quarter</b>	2.3%	2.0%	2.0%	0.9%	0.9%
<b>Annualized growth rate</b>	9.7%	8.3%	8.2%	3.8%	3.5%
<b>GDP Implicit Price Deflator</b>	105.2	106.1	106.7	107.1	107.7
<b>Annualized growth rate</b>	1.3%	3.3%	2.4%	1.6%	2.1%
<b>Consumer Price Index</b>	168.3	170.1	171.6	173.0	174.2

## INTEREST RATES

	1999	2000			
	IV	I	II	III	IV
<b>1 yr T-Bill</b>	5.29	5.82	5.86	5.80	5.63
<b>3 yr T-Bond</b>	6.00	6.56	6.56	6.16	5.63
<b>10 yr T-Bond</b>	6.14	6.48	6.18	5.89	5.57
<b>30 yr T-Bond</b>	6.25	6.30	5.98	5.80	5.69
<b>Discount Rate</b>	4.87	5.19	5.74	6.00	6.00
<b>Federal Funds Rate</b>	5.31	5.68	6.27	6.52	6.47
<b>Prime Rate</b>	8.37	8.69	9.25	9.50	9.50
<b>Average Mortgage Rate : United States</b>	7.23	7.53	7.56	7.52	7.47
<b>30-Year Fixed Rate</b>	7.83	8.26	8.32	8.03	7.64
<b>Average Mortgage Rate : Seattle</b>	6.99	7.50	7.58	7.67	7.55

### NOTES:

GDP figures for fourth quarter 2000 are advance estimates, released January 31, 2001. Other GDP figures are revised.

Real GDP: Gross Domestic Product in (U.S. billions) 1996 dollars. GDP Price Deflator: 1996 =100.

CPI: 1982-1984=100. Price index covers all urban consumers. Quarterly CPI and Interest Rates: 3 month average.

New Home Mortgage Yield: U.S. monthly average, not seasonally adjusted. Represents effective rate on conventional loans closed by major lenders. Rate is for newly-built homes. Effective interest rate is equal to the contract interest rate plus fees and charges amortized over a ten year period. Quarterly rates calculated as three month average.

Average Mortgage Rate: Average effective rate on conventional loans with approximate term to maturity of 30 years. Data is for the Seattle Consolidated Metropolitan Statistical Area (CMSA), which includes Kitsap, Thurston, Island, King, Snohomish, and Pierce counties.

### SOURCES:

GDP figures from the Bureau of Economic Analysis national accounts data (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

CPI calculated by the Bureau of Labor Statistics (<http://stats.bls.gov/cpihome.htm>).

National Interest Rates from the Federal Reserve Statistical Release (<http://www.bog.frb.fed.us/releases/H15/>).

Mortgage rates from the Federal Housing Finance Board's Monthly Interest Rate Survey (<http://www.fhfb.gov/mirs.htm>).

## INDUSTRIAL MEASURES

	1999		2000		
	IV	I	II	III	IV
<b>Producers' Durable Equipment</b>	1,050.1	1,100.4	1,146.6	1,162.4	1,148.6
<b>Changes in Non-Farm Inventories</b>	73.0	33.0	72.3	67.4	62.4
<b>Manufacturers' New Orders</b>	1,105.8	1,134.9	1,166.4	1,144.0	1,132.2
<b>Non-Defense Capital Goods Orders</b>	173.3	181.4	193.3	195.8	195.9
<b>Industrial Production</b>	142.1	144.4	147.1	148.4	148.0
<b>Capacity Utilization Rate</b>	81.6	82.0	82.6	82.4	81.3
<b>Manufacturing</b>	80.9	81.3	81.9	81.7	80.2

### NOTES:

These figures measure industrial activity for the entire U.S. economy.

Producers' Durable Equipment and Changes in Non-Farm Inventories in billions of 1996 dollars, seasonally adjusted. All figures revised retroactive to first quarter 1997. Figures for fourth quarter 2000 are advance estimates, released January 31, 2001.

Manufacturers' New Orders and Non-Defense Capital Goods Orders in billions of current dollars, seasonally adjusted. Figures for third quarter 2000 have been revised; figures for fourth quarter 2000 are preliminary estimates, released February 2, 2001.

Industrial Production: 1992 = 100, seasonally adjusted. Quarterly figures are 3 month average.

Capacity Utilization Rate for all industries includes manufacturing, mining, and utilities.

### SOURCES:

Producers' Durable Equipment and Changes in Non-Farm Inventories: Bureau of Economic Analysis (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

Manufacturers' New Orders and Non-Defense Capital Goods Orders: Census Bureau (<http://www.census.gov/indicator/www/table5p.txt>).

Industrial Production and Capacity Utilization Rate: Federal Reserve Statistical Release (<http://www.bog.frb.fed.us/releases/g17/Current/>).

## Regional Economic Indicators

	1999		2000		
	IV	I	II	III	IV
<b>Consumer Price Index: Western U.S.</b>	170.4	172.1	174.0	175.9	177.2
<b>Consumer Price Index: Seattle CMSA</b>	174.6	176.0	178.4	180.3	181.8
<b>Port of Seattle</b>					
<b>Air freight (metric tons)</b>	77,759	68,000	77,300	81,146	82,299
<b>Water-borne freight (TEUs)</b>	375,865	335,757	388,330	389,141	
<b>Air Passengers</b>	6,562,054	6,086,158	7,363,472	8,293,678	6,661,004
<b>Bankruptcies: Puget Sound Region</b>	3,928	3,876	3,991	3,773	3,742
<b>Bankruptcies: King County</b>	1,655	1,596	1,664	1,559	1,529
<b>New Business Starts: City of Seattle</b>	863	2,432	3,153	1,195	1,512
<b>Electrical Energy Usage: City of Seattle</b>	2,358,532	2,733,937	2,243,751	2,101,751	

### NOTES:

CPI –U: Covers all urban consumers. 1982-1984 = 100. Data for selected local areas available on a bimonthly basis since 1998.

New Business Starts consist of the total new business license accounts for the quarter.

Electrical Energy Usage in thousands of kilowatts billed. Fourth quarter 2000 data incomplete at time of report's release.

### SOURCES:

CPI: Bureau of Labor Statistics (<http://stats.bls.gov/cpihome.htm>).

Waterborne Freight and Air Traffic: Port of Seattle (<http://www.portseattle.org>).

Bankruptcies: U.S. Bankruptcy Court.

New Business Starts: Seattle Department of Licensing.

Electrical Energy Usage: Seattle City Light.

## Convention Information: King County

	1999		2000		
	IV	I	II	III	IV
<b># Conventions/Events</b>	107	158	151	164	139
<b># Room Nights</b>	121,805	155,841	161,175	149,201	144,284
<b>Room Nights per Event</b>	1,138	986	1,067	910	1,038

	1999		2000		
	III	IV	I	II	III
<b>Local Room Tax</b>	\$4,183,379	\$3,184,960	\$2,765,116	\$3,459,408	\$4,558,801
<b>Room Tax per Event</b>	\$39,466	\$29,766	\$17,501	\$22,910	\$27,798

### NOTES:

The figures for number of conventions and number of room nights are for all events booked at the convention center and area hotels. "Local Room Tax" includes Washington State hotel/motel tax distributions to Seattle-King County, exclusive of taxes collected in Bellevue. This is used as a proxy for delegate expenses. Quarterly figures indicate the months when room taxes were collected, not distributed, since distribution occurs two months after collection. For example, hotel/motel distributions for June reflect collections made in April.

### SOURCES:

Number of conventions/events and number of room nights: Seattle-King County Convention and Visitors Bureau

Hotel/Motel Tax Distributions: Washington State Department of Revenue

# Taxable Retail Sales

INDUSTRY	SIC	City of Seattle			King County		
		Q3 2000		CHANGE FROM Q3 1999	Q3 2000		CHANGE FROM Q3 1999
		UNITS	TAXABLE RETAIL SALES (\$)		UNITS	TAXABLE RETAIL SALES (\$)	
<b>RETAIL TRADE</b>	<b>52-59</b>	<b>6,466</b>	<b>\$1,412,219,866</b>	<b>6.2%</b>	<b>12,524</b>	<b>\$4,315,522,376</b>	<b>6.3%</b>
BUILDING MATERIALS/HARDWARE	52	262	74,784,228	0.4%	534	282,457,058	3.7%
Lumber/Bldg Material	521-522	121	43,620,932	13.7%	217	170,843,774	18.7%
Paint, Glass, Wallpaper	523	41	8,480,430	33.0%	67	17,228,950	6.5%
Hardware Stores	525	59	18,967,834	-28.3%	139	73,214,582	-20.3%
Nurseries/Garden Supplies	526	41	3,715,032	11.5%	105	19,878,348	5.5%
Mobile Home Dealers	527	-	-	-	6	1,291,404	-26.4%
GENERAL MERCHANDISE	53	36	102,651,411	6.3%	82	493,145,931	5.1%
Department Stores	531	10	73,050,484	5.2%	15	266,840,003	1.3%
Variety Stores	533	9	22,805,347	5.3%	25	180,695,412	8.4%
Other General Merchandise		17	6,795,580	23.1%	42	45,610,516	16.7%
FOOD	54	495	123,189,424	6.3%	905	367,611,484	4.2%
Grocery Stores	541	353	116,126,129	6.5%	634	351,343,357	4.9%
Fruit/Vegetable/Meat	542-543	19	728,503	11.7%	35	2,171,741	6.2%
Candy/Nut/Confectionery	544	13	494,642	22.1%	18	523,528	-13.1%
Dairy Products	545	7	251,909	-21.4%	14	702,419	-12.6%
Bakeries	546	54	2,882,762	7.6%	98	4,576,792	7.8%
Other Food Stores		49	2,705,479	-2.6%	106	8,293,647	-17.2%
AUTO DEALERS/GAS STATIONS	55	372	238,730,725	-0.5%	984	951,285,478	7.3%
Auto Dealers (New/Used)	551-552	97	174,474,092	2.3%	317	771,491,054	8.9%
Accessory Dealers	553	82	14,070,083	-10.6%	200	52,669,116	-8.3%
Service Stations	554	110	13,980,575	-3.0%	316	51,586,903	2.5%
Marine/Aircraft, etc.		83	36,205,975	-8.0%	151	75,538,405	7.7%
APPAREL/ACCESSORIES	56	333	109,923,607	5.2%	567	283,864,752	8.2%
Clothing	561-565	206	92,225,730	3.4%	343	229,062,959	5.4%
Shoes	566	37	8,552,002	7.5%	61	23,602,003	6.4%
Other Accessories		90	9,145,875	24.3%	163	31,199,790	35.8%
FURNITURE/FURNISHINGS/EQUIP.	57	832	151,624,797	8.8%	1,535	560,352,161	4.3%
Furniture	571	334	47,246,167	-7.4%	630	184,354,001	2.6%
Appliances	572	35	4,699,385	62.0%	85	28,931,704	5.7%
Electronics/Music Stores	573	463	99,679,245	16.7%	820	347,066,456	5.1%
EATING/DRINKING PLACES	58	1,806	318,952,657	12.5%	3,502	666,419,768	7.5%
MISCELLANEOUS RETAIL STORES	59	59	-	-	4,415	710,385,744	7.8%
Drug Stores	591	45	27,540,409	-1.1%	98	72,680,205	1.5%
Miscellaneous Retail Stores	594	594	-	-	1,088	280,794,368	1.4%
Nonstore Retailers	596	317	22,169,844	-1.1%	603	58,834,865	-16.6%
Fuel/Ice	598	24	7,906,884	-0.5%	41	20,970,821	24.3%
Other Retail Stores		1,363	122,791,664	24.3%	2,585	277,105,485	24.4%
<b>SERVICES</b>	<b>70-89</b>	<b>5,257</b>	<b>628,827,786</b>	<b>9.8%</b>	<b>10,233</b>	<b>1,425,052,482</b>	<b>9.2%</b>
HOTELS/MOTELS, ETC.	70	116	129,316,644	13.1%	279	252,718,372	10.9%
PERSONAL SERVICES	72	634	22,222,881	-9.2%	1,491	52,547,014	-4.8%
BUSINESS SERVICES	73	2,177	243,193,675	14.4%	3,647	500,579,205	14.1%
Computer Services	737	503	61,316,361	37.7%	830	133,201,054	15.1%
AUTOMOTIVE REPAIR/SERVICES	75	664	107,269,476	3.8%	1,535	356,636,994	5.5%
OTHER SERVICES		1,666	126,825,110	7.3%	3,281	262,570,897	7.0%
CONTRACTING	15-17	5,184	649,305,922	6.7%	9,165	1,817,926,029	12.7%
MANUFACTURING	19-39	922	103,072,916	6.9%	1,699	246,496,571	7.5%
TRANSPORTATION/COMM./UTILITIES	40-49	450	225,204,641	5.4%	691	522,975,791	8.9%
WHOLESALE	50-51	2,628	409,367,695	1.6%	4,332	1,139,997,890	0.4%
FINANCE/INSURANCE/REAL ESTATE	60-67	306	52,890,381	5.6%	562	146,995,818	10.4%
OTHER BUSINESS	0-14/90's	818	24,323,801	1.8%	1,605	91,656,208	9.6%
<b>TOTAL ALL INDUSTRIES</b>		<b>22,031</b>	<b>\$3,505,213,008</b>	<b>6.3%</b>	<b>40,811</b>	<b>\$9,706,623,165</b>	<b>7.4%</b>

## NOTES:

Quarterly taxable retail sales data released with a lag of up to 6 months. Units are number of businesses reporting taxable retail sales.

## SOURCE:

Taxable Retail Sales: *Quarterly Business Review*, Department of Revenue, Washington State (<http://www.dor.wa.gov>).

### Civilian Labor Force: King County

	1999		2000		
	IV	I	II	III	IV
<b>Civilian Labor Force</b>	1,045,933	1,034,867	1,032,433	1,031,933	1,042,367
<b>Employed</b>	1,015,033	1,001,900	999,800	996,300	1,007,833
<b>Unemployed</b>	30,900	32,933	32,667	35,600	34,567
<b>Unemployment Rate</b>	3.0%	3.2%	3.2%	3.4%	3.3%
<b>Unemployment Rate: WA State</b>	4.3%	5.2%	4.5%	4.6%	4.8%
<b>Unemployment Rate: United States</b>	3.8%	4.4%	3.9%	4.0%	3.7%

  

	1999		2000		
	III	IV	I	II	III
<b>Initial UE Claims</b>	4,730	5,172	7,105	4,913	5,117
<b>Unemployment Beneficiaries</b>	17,883	16,893	18,701	17,035	17,733

### Nonagricultural Employment: Seattle PMSA

	1999		2000		
	IV	I	II	III	IV
<b>Non-Agricultural Employment</b>	1,401,667	1,380,167	1,407,933	1,413,100	1,427,833
<b>Goods Producing</b>	290,100	276,033	284,467	289,267	284,133
<b>Services Producing</b>	1,111,600	1,104,133	1,123,533	1,123,833	1,143,700
<b>Mining</b>	700	700	700	700	600
<b>Construction</b>	80,800	75,567	80,367	86,033	82,333
<b>Manufacturing</b>	208,600	199,767	203,333	202,533	201,200
<b>Durable Goods</b>	163,867	155,167	158,933	157,500	157,467
<b>Nondurable Goods</b>	44,733	44,600	44,400	45,033	43,733
<b>Transportation, Communications &amp; Utilities</b>	85,433	85,533	86,667	87,233	87,200
<b>Wholesale &amp; Retail Trade</b>	334,633	330,533	336,167	341,033	347,633
<b>FIRE</b>	85,900	84,433	84,633	84,967	85,300
<b>Services</b>	414,000	287,267	422,100	427,800	430,933
<b>Government</b>	191,633	191,567	193,967	182,867	192,633

**NOTES:**

Civilian Labor Force consists of workers who live in the region in question. (based on household survey).

Non-Agricultural Employment consists of workers who work in the region in question. (based on establishment survey).

Unemployment Rates are not seasonally adjusted.

Seattle PMSA includes King, Snohomish, and Island Counties. The proportion of annual average total employment represented by each is approximately 83%, 16%, and 1%, respectively.

All quarterly figures are three-month averages.

**SOURCE:**

*Washington State Labor Area Summaries*, Washington State Employment Security, Labor Market and Economic Analysis Branch.

**Seattle-King County Dislocation Activity**  
**January - December 2000**

Company	Location	Occupation	No. of Workers
Boeing Co.	King, Pierce, & Snohomish Counties	All job classifications	3081
PACCAR/Kenworth Trucks	Seattle & Renton	Manufacturing	657
Muzak	Seattle	Headquarters staff & warehouse	411
Boston Scientific Corp.	Redmond	Manufacturing & support - medical devices	321
REI/Thaw Corporation	Seattle & Kent	Apparel manufacturing	200
Onvia.com	Seattle	Web design & support	175
Summit Window & Door Co.	Kent	Manufacturing & sales	160
Amazon.com	Seattle	Customer service & computer support	150
Crane Interpoint	Redmond	Manufacturing	120
Kendall Co.	Bothell	Medical supply manufacturing	116
Dutch Harbor/UniSea	Redmond	Seafood catching	115
Lamonts	Kirkland	Headquarters staff	115
Meridian Automotive Systems	Auburn	Manufacturing	106
U.S.Census Bureau	Seattle	Office & technical support	104
Northwest Airlines	SeaTac	Flight kitchen	101
Pony Express	Sea-Tac	Delivery drivers & dispatchers	100
King County	King County	Misc. Transportation	96
Buffalo Industries	Seattle	Clothing recycling	95
Crawford Co.	Bellevue	Claims administrators	91
United Parcel Service	Seattle & Tukwila	Billing & accounting	79
Flextronic Enclosures	Bothell	Manufacturing	74
Ledalite Architectural Products	Kent	Manufacturing	74
Toys R Us	Kent	Office & warehouse	70
MDS Penlabs, Inc.	Bothell	Customer service	62
Ropak Corp.	Kent	Manufacturing	52
Silver Eagle	Seattle & Kent	Warehouse, drivers & dispatch	52
Allstate Insurance Co.	Bothell	Marketing & sales	48
Hexcel Corp.	Kent	Aerospace manufacturing	44
License Online	Kirkland	Software engineers	40
Meridian Automotive Systems	Auburn	Manufacturing	40
Northern Life Insurance Co.	Seattle	Claims administrators	40
Nestle	Carnation	Groundskeepers & milkers	35
eProject.com	Seattle	Project management	31
HFI Food	Redmond	Food processing	30
Mykron Industries	Kent	Manufacturing	30
Aegon Trans-America	Kent	Claims administrators	28
Ball Container, Inc.	Seattle	Manufacturing	25
Virginia Mason Medical Center	Seattle	Communications	23
Red Dot Corp.	Tukwila	Manufacturing	20
The Paper Co.	Seattle	Manufacturing	20
CSK AUTO	Auburn	Warehouse	19
Cypress Semi Conductor	Kent	Manufacturing	13
American Coin Machine	Seattle	Distribution	12
J.C.Penney	Kent	Office clerical	12
QFC	Bellevue	MIS	7
2000	45 Companies		7,294 Dislocated Workers

**SOURCE:** King County Reemployment Support Center

## Boeing Employees in Washington State

1989	1990	1991	1992	1993
106,670	104,515	104,700	98,603	88,890
1994	1995	1996	1997	1998
81,964	71,834	87,769	103,400	98,440
1999 IV	2000 I	2000 II	2000 III	2000 IV
80,900	77,900	77,200	77,300	77,900

**NOTES:**

For quarterly totals, data reflects the number of employees at the end of the quarter. Boeing employees in Washington state represent approximately 40 percent of the company's U.S.-based workforce (including contingent labor and those employed by subsidiaries).

**SOURCE:**

The Boeing Company (<http://www.boeing.com>)

## Boeing Contractual Backlogs

	1999 IV	2000 I	2000 II	2000 III	2000 IV
<b>Commercial Airplanes</b>	73.0	75.7	77.1	82.8	89.8
<b>Military Aircraft and Missiles</b>	15.6	16.8	18.8	19.1	19.9
<b>Space and Communications</b>	10.6	9.6	9.1	9.2	13.4
<b>Total</b>	99.2	102.1	105.0	111.1	123.1

**NOTES:**

Boeing contractual backlogs in billions of U.S. dollars.

**SOURCE:**

The Boeing Company (<http://www.boeing.com>)

## U.S. Airlines Net Profit

1994	1995	1996	1997	1998	1999
-344	2,314	2,804	5,168	4,903	5,576

**NOTES:**

U.S. airlines net profit in millions of U.S. dollars.

ATA member airlines transport over 95 percent of all passengers and cargo traffic in the United States.

**SOURCE:**

Air Transport Association *Annual Report 2000* ([www.air-transport.org](http://www.air-transport.org))

### Per Capita Disposable Personal Income: United States

1999		2000		
IV	I	II	III	IV
\$23,404	\$23,472	\$23,638	\$23,732	\$23,703

### Monthly Average Wage by Industry: King County

	1998		1999		
	IV	I	II	III	IV
<b>Overall Average</b>	\$3,612	\$3,730	\$3,565	\$3,844	\$4,205
<b>Agriculture, Forestry, Fishing</b>	\$2,729	\$2,479	\$2,801	\$2,385	\$2,873
<b>Mining</b>	\$4,248	\$3,217	\$3,370	\$3,726	\$4,497
<b>Construction</b>	\$3,518	\$3,154	\$3,308	\$3,429	\$3,771
<b>Manufacturing</b>	\$4,176	\$3,818	\$4,067	\$4,248	\$4,508
<b>Transportation and Public Utilities</b>	\$3,741	\$3,966	\$3,495	\$3,605	\$4,348
<b>Wholesale Trade</b>	\$4,060	\$3,913	\$3,762	\$3,880	\$4,231
<b>Retail Trade</b>	\$1,886	\$1,808	\$1,935	\$1,936	\$2,121
<b>FIRE</b>	\$4,277	\$4,338	\$3,859	\$3,888	\$4,148
<b>Services</b>	\$4,247	\$4,933	\$4,377	\$5,085	\$5,655
<b>Government</b>	\$3,200	\$3,006	\$3,124	\$3,238	\$3,314

#### NOTES:

Per Capita Disposable Personal Income: Values are in 1996 dollars at seasonally adjusted annual rates. Data is from the revised National Income and Products Accounts newly benchmarked to first quarter 1997. Earlier reports using 1992 figures are not comparable.

Wages: Average of monthly wages per worker by industry. Figures are lagged six months or more due to reporting delays.

#### SOURCES:

Per Capita Disposable Income comes from the U.S. Bureau of Economic Analysis (<http://www.bea.doc.gov/bea/nipubl-d.html>).

Wages: *Employment and Payrolls in Washington State by County and Industry* (Washington State Employment Security).

## Construction

### City of Seattle

	1999		2000		
	IV	I	II	III	IV
<b>Residential Construction</b>	\$89,989,974	\$207,535,437	\$207,390,244	\$155,362,148	\$167,606,530
<b>Non-Residential Construction</b>	\$272,317,311	\$125,023,154	\$290,781,087	\$170,001,242	\$271,588,587
<b>Building Permits</b>					
Commercial and Industrial	664	662	716	801	646
Existing Housing Units	589	584	734	733	509
New Residential Permits	165	155	175	178	135
New Residential Units	1,213	1,562	2,221	1,411	1,743

### King County

	1999		2000		
	IV	I	II	III	IV
<b>Home Sales: New &amp; Existing</b>					
# of Sales	5,674	4,544	6,255	6,863	5,501
Days on Market	38	45	35	38	43
Average Sales Price	\$296,234	\$306,152	\$316,121	\$316,969	\$312,062
Median Sales Price	\$237,400	\$243,350	\$253,958	\$249,442	\$250,084
<b>Home Sales: New Construction</b>					
# of Sales	595	629	726	750	681
Days on Market	80	86	79	78	82
Average Sales Price	\$367,627	\$386,097	\$376,195	\$393,089	\$386,709
Median Sales Price	\$297,965	\$302,003	\$306,790	\$302,383	\$304,580

**SOURCES:**

City of Seattle Department of Construction and Land Use, *Issued Building Development Permits* (monthly reports).  
Home sales figures provided by the Northwest Multiple Listing Service.

## Office Market

### Downtown Seattle

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Feet</b>	28,469,378	28,746,728	28,828,492	30,158,092	30,893,103
<b>No. of Buildings</b>	224	227	226	232	235
<b>Vacant Square Feet</b>	589,316	462,822	291,168	376,976	1,340,761
<b>Vacancy Rates</b>	2.1%	1.6%	1.0%	1.3%	4.3%
<b>Under Construction (sq. ft.)</b>	2,997,727	3,246,950	3,290,950	2,386,078	2,882,498
<b>Absorption (sq. ft.)</b>	353,469	405,479	360,676	1,191,599	-446,054
<b>Average Lease Rate (per sq.ft.)</b>					
Class A	\$30.28	\$33.68	\$35.54	\$38.68	\$39.09
<b>Vacancy Rate</b>					
Class A	1.5%	1.0%	0.5%	0.9%	3.6%
Class B	4.3%	3.9%	2.8%	3.5%	3.4%
Class C	2.3%	1.9%	1.1%	1.6%	12.3%

**NOTES:**

"Downtown Seattle" consists of the Canal, CBD, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront.

The absorption rate is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Office Market

### North King County

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Feet</b>	1,135,559	1,135,559	1,031,305	1,181,375	1,121,975
<b>No. of Buildings</b>	24	24	-	-	
<b>Vacant Square Feet</b>	29,525	37,928	25,061	9,924	14,922
<b>Vacancy Rates</b>	2.6%	3.3%	2.4%	0.8%	1.3%
<b>Under Construction (sq. ft.)</b>	0	0	97,972	97,972	76,972
<b>Absorption (sq. ft.)</b>	-8,855	-8,387	12,892	165,195	-4,387
<b>Ave. Class A Lease Rate</b>	\$20.46	\$22.75	\$23.88	\$23.50	\$24.75

### South King County

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Feet</b>	5,741,805	5,797,606	7,476,563	7,940,060	8,062,272
<b>No. of Buildings</b>	-	-	-	-	-
<b>Vacant Square Feet</b>	433,506	404,093	868,029	983,773	861,051
<b>Vacancy Rates</b>	7.6%	7.0%	11.6%	12.4%	10.7%
<b>Under Construction (sq. ft.)</b>	301,508	301,508	0	240,000	291,168
<b>Absorption (sq. ft.)</b>	77,959	79,481	-345,004	347,744	264,058
<b>Ave. Class A Lease Rate</b>	\$18.64	\$21.60	\$22.09	\$21.19	\$22.35

**NOTES:**

"North King County" consists of the area north of the Ship Canal up to the King County line.

"South King County" consists of the area south of the Kingdome to the King County line, excluding Federal Way.

The absorption rate is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Office Market

### Bellevue/Eastside

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Feet</b>	20,864,771	20,979,771	20,978,237	21,043,099	21,738,499
<b>No. of Buildings</b>	355	358	346	342	349
<b>Vacant Square Feet</b>	710,569	772,056	144,750	162,032	843,454
<b>Vacancy Rates</b>	3.4%	3.7%	0.7%	0.8%	3.9%
<b>Under Construction (sq. ft.)</b>	3,772,968	4,103,207	3,424,391	4,459,961	4,287,561
<b>Absorption (sq. ft.)</b>	1,412,423	175,727	1,328,570	50,861	-5,617
<b>Average Lease Rate (per sq.ft.)</b>					
Class A	\$24.05	\$26.74	\$31.73	\$28.53	\$31.06
<b>Vacancy Rate</b>					
Class A	3.9%	3.7%	0.5%	0.6%	3.7%
Class B	2.3%	2.1%	1.5%	1.5%	4.9%
Class C	1.0%	0.5%	0.1%	0.4%	1.1%

**NOTES:**

"Bellevue/Eastside" consists of all of King County directly east of Lake Washington, plus that portion of Bothell extending into Snohomish County.

The absorption rate is the change in amount of leased space. A negative figure indicates more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Industrial Market

### Seattle

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Footage</b>	70,927,337	71,140,072	70,789,899	70,654,233	70,658,396
Industrial	69,785,228	69,951,307	69,668,790	69,805,046	69,884,492
High-Tech	1,142,109	1,188,765	1,121,109	849,187	773,904
<b>Vacancy Rate</b>	2.0%	2.1%	3.3%	3.1%	2.8%
Industrial	2.0%	2.0%	3.3%	3.2%	2.8%
High-Tech	1.2%	3.9%	0.2%	0.6%	0.8%
<b>Total Vacant (sq. ft.)</b>	1,437,324	1,473,250	2,314,798	2,217,915	1,984,155
Industrial	1,423,619	1,427,007	2,313,004	2,212,820	1,977,731
High-Tech	13,705	46,243	1,794	5,095	6,423
<b>Lease Rates (per sq. ft./mo.)</b>					
Industrial	\$0.45	\$0.45	\$0.45	\$0.45	\$0.55
High-Tech	\$0.85	\$0.85	\$0.85	\$0.85	\$0.85
<b>Absorption (sq. ft.)</b>	-265,167	173,500	-884,249	360,341	613,922

**NOTES:**

Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.

Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Seattle" extends from the King/Snohomish line south to Tukwila.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Industrial Market

### Kent Valley

	1999		2000		
	IV	I	II	III	IV
<b>Total Square Footage</b>	85,844,794	87,166,421	87,845,764	88,757,625	88,746,576
Industrial	83,983,480	85,351,763	86,085,950	86,867,889	86,856,840
High-Tech	1,861,314	1,814,658	1,759,814	1,889,736	1,889,736
<b>Vacancy Rate</b>	4.9%	5.5%	2.7%	2.5%	1.7%
Industrial	4.9%	6.2%	2.5%	2.5%	1.7%
High-Tech	6.9%	5.5%	11.5%	2.1%	2.3%
<b>Total Vacant (sq. ft.)</b>	4,218,798	5,391,071	2,354,175	2,185,699	1,529,472
Industrial	4,089,995	5,291,809	2,152,149	2,145,637	1,485,252
High-Tech	128,803	99,262	202,027	40,062	44,220
<b>Lease Rates (per sq. ft./mo.)</b>					
Industrial	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
High-Tech	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95
<b>Absorption (sq. ft.)</b>	224,142	762,681	2,852,798	828,003	666,108

**NOTES:**

Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.

Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Kent Valley" is defined as Tukwila, Renton, Kent, Auburn and SeaTac.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Industrial Market

### Eastside

	1999	2000			
	IV	I	II	III	IV
<b>Total Square Footage</b>	20,357,740	20,272,821	20,676,427	20,745,452	20,775,452
Industrial	15,695,902	15,644,888	16,023,596	16,038,621	16,068,621
High-Tech	4,661,838	4,627,933	4,652,831	4,706,831	4,706,831
<b>Vacancy Rate</b>	4.7%	3.7%	2.5%	3.4%	2.4%
Industrial	4.1%	4.9%	2.6%	3.8%	2.6%
High-Tech	6.7%	3.4%	2.3%	2.0%	1.7%
<b>Total Vacant (sq. ft.)</b>	959,309	924,764	523,163	702,942	503,092
Industrial	645,102	769,728	416,613	607,864	422,605
High-Tech	314,208	155,036	106,550	95,078	80,487
<b>Lease Rates (per sq. ft./mo.)</b>					
Industrial	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
High-Tech	\$1.25	\$1.30	\$1.30	\$1.30	\$1.30
<b>Absorption (sq. ft.)</b>	153,793	228,702	425,726	-109,932	228,767

**NOTES:**

Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.

Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Eastside" consists of the east side of Lake Washington, King/Snohomish County Line south to Renton City Limits.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Retail Market

Puget Sound Region	1998	1999		2000	
	Second Half	First Half	Second Half	First Half	Second Half
Total Rentable Sq. Footage	59,030,357	60,597,201	61,220,255	58,612,098	31,993,308
Total Vacant	2,613,436	3,387,384	3,336,504	2,075,247	857,421
Vacancy Rates	4.4%	5.6%	5.5%	3.5%	2.7%
Absorption (sf)	6,442,336	561,033	72,711	1,773,500	592,865

Puget Sound consists of the downtown Seattle, Northend, Southend, and Eastside markets.

Downtown Seattle	1998	1999		2000	
	Second Half	First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	4,558,469	4,558,469	4,816,804	5,462,959	1,889,290
Total Vacant	114,678	131,740	148,839	87,407	29,095
Vacancy Rates	2.5%	2.9%	3.1%	1.6%	1.5%
Rental Rates	\$25.16	\$26.29	\$38.31	\$34.07	\$33.12
Absorption (sf)	847,549	8,243	64,233	754,254	-304

The Ship Canal south to the West Seattle Bridge including the Central Business District, Denny Regrade, Lower Queen Anne, Pioneer Square, West Lake Union, Capitol Hill and the Central District.

Northend	1998	1999		2000	
	Second Half	First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	15,152,425	15,803,346	15,847,347	12,934,821	7,884,471
Total Vacant	678,490	933,978	1,044,340	433,317	199,477
Vacancy Rates	4.5%	5.9%	6.6%	3.4%	2.5%
Rental Rates	\$13.15	\$11.19	\$16.03	\$17.61	\$23.68
Absorption (sf)	747,419	12,752	51,709	558,742	384,143

Northend is defined as North Seattle from Ship Canal up through Snohomish and Northern Counties.

Southend	1998	1999		2000	
	Second Half	First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	27,509,392	27,894,915	28,293,688	27,313,703	14,064,127
Total Vacant	1,344,928	1,860,591	1,621,228	1,188,146	443,020
Vacancy Rates	4.9%	6.7%	5.7%	4.4%	3.2%
Rental Rates	\$14.65	\$15.07	\$19.07	\$15.60	\$18.15
Absorption (sf)	2,424,513	265,823	98,239	11,230	196,318

"Southend" is South Seattle through Pierce and Thurston Counties.

Bellevue/Eastside	1998	1999		2000	
	Second Half	First Half	Second Half	First Half	Second Half
Total Rentable Sq. Ft.	11,810,071	12,340,471	12,262,416	12,900,615	8,155,420
Total Vacant	475,340	457,831	521,153	366,377	185,944
Vacancy Rates	4.0%	3.7%	4.3%	2.8%	2.3%
Rental Rates	\$17.32	\$19.92	\$21.21	\$22.50	\$23.97
Absorption (sf)	761,210	274,215	-141,470	449,274	12,708

All of King County east of Lake Washington, including Bellevue, Kirkland, Redmond, Issaquah, Bothell and Mercer Island.

**NOTES:** As of Second Half 2000, CB Richard Ellis no longer tracks Freestanding or Strip/Speciality Centers in the region and has reduced the number of buildings in other categories to reflect a more accurate market sample. As a result, Second Half 2000 figures are not strictly comparable to earlier data.

**SOURCE:** CB Richard Ellis *Quarterly Market Reports*

## Apartment Vacancy Rates

	1998		1999		2000	
	First Half	Second Half	First Half	Second Half	First Half	Second Half
<b>Seattle/North King County</b>	<b>1.2%</b>	<b>1.7%</b>	<b>2.3%</b>	<b>3.4%</b>	<b>2.2%</b>	<b>3.1%</b>
Capitol Hill/Eastlake	1.9%	1.4%	1.1%	0.5%	0.0%	-
Central District	0.5%	-	2.2%	5.3%	0.0%	-
Downtown/First Hill	0.8%	1.7%	2.2%	3.7%	2.7%	2.5%
Magnolia/Queen Anne	1.2%	1.8%	2.5%	4.2%	2.4%	-
North Seattle	1.2%	1.2%	1.1%	3.0%	1.2%	2.4%
Sandpoint	0.0%	0.5%	1.8%	2.6%	0.0%	-
South Seattle	-	1.0%	3.2%	-	-	-
University District	1.0%	0.5%	2.7%	1.5%	0.8%	-
West Seattle	1.1%	0.6%	3.2%	3.2%	1.5%	3.7%
<b>South King County</b>	<b>1.7%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>3.6%</b>	<b>1.9%</b>	<b>3.0%</b>
Auburn	1.1%	2.4%	4.4%	4.7%	1.7%	2.8%
Burien/Des Moines	1.2%	1.6%	3.0%	1.9%	2.9%	2.7%
Federal Way	1.9%	2.0%	3.2%	6.2%	1.9%	3.0%
Kent	1.7%	2.2%	2.1%	3.4%	1.8%	2.7%
Renton	1.9%	1.4%	3.5%	2.4%	2.0%	4.3%
Sea-Tac/Tukwila	1.8%	1.4%	3.0%	3.4%	1.6%	2.3%
<b>East King County</b>	<b>1.4%</b>	<b>1.7%</b>	<b>2.7%</b>	<b>5.2%</b>	<b>2.3%</b>	<b>4.4%</b>
Bellevue	1.0%	1.4%	2.4%	5.6%	2.5%	4.6%
Bothell/Woodinville	1.6%	3.2%	2.8%	4.8%	4.4%	4.9%
Issaquah/North Bend	1.8%	1.5%	3.1%	3.8%	2.0%	4.6%
Kirkland	1.7%	1.9%	3.8%	3.4%	1.0%	4.4%
Redmond	1.7%	1.0%	2.1%	6.1%	1.3%	4.6%
<b>Snohomish County</b>	<b>1.1%</b>	<b>1.8%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>3.2%</b>	<b>4.5%</b>
Edmonds	0.7%	0.9%	2.4%	1.9%	2.6%	5.2%
Everett	1.1%	1.8%	2.9%	5.3%	4.1%	6.3%
Lynnwood	1.0%	2.4%	2.8%	3.9%	2.2%	3.4%
Marysville	1.7%	0.0%	7.7%	6.3%	1.7%	-
Mountlake Terrace	0.8%	1.8%	4.1%	3.2%	2.0%	2.4%
<b>Pierce County</b>	<b>4.5%</b>	<b>3.3%</b>	<b>3.2%</b>	<b>5.1%</b>	<b>4.1%</b>	<b>3.7%</b>
Fircrest	6.2%	3.2%	3.6%	3.5%	3.2%	2.5%
Gig Harbor	3.6%	5.1%	4.5%	8.5%	0.6%	5.4%
Lakewood	5.3%	3.6%	3.3%	4.9%	3.3%	4.3%
Puyallup	3.7%	1.4%	3.3%	4.8%	5.6%	5.2%
Tacoma	4.5%	2.3%	2.7%	6.1%	3.4%	2.4%

SOURCE: CB Richard Ellis *Quarterly Market Reports*